

Proposal: 1818(AG67) Debit Card Interchange Fees and Routing

Description:

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From: North Carolina A & T State University, Lisa L. Cole Martin

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Subject: 1818(AG67) Debit Card Interchange Fees and Routing

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Comments:

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Proposal: Regulation II: Debit Card Interchange Fees and Routing [R-1818]

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Your comment: As a professor at the largest historically black university in the country, I've witnessed the profound impact of high inflation, housing inequities, and limited economic opportunities on African Americans and vulnerable communities. My concern deepens with the Federal Reserve's plan to further reduce debit card swipe fees, potentially worsening inequalities and impeding the financial progress of low-income Americans, making the American Dream increasingly elusive. The 2010 Durbin Amendment, capping interchange fees, significantly contributed to the "unbanked" issue among African Americans and other underserved communities. This regulation forced banks to cut free checking accounts, leading to a drop in lenders offering free basic checking accounts and an increase in average monthly checking account fees, hindering those on the lower economic rungs and widening the wealth gap. The proposed reduction in debit card transaction fees by the Federal Reserve, from 21 cents to 14.4 cents, appears poised to exacerbate these inequities, benefiting large retailers rather than addressing the needs of those in greatest need. Access to credit is vital for many low-income individuals, particularly those starting businesses. Unfortunately, this proposal seems more likely to favor large companies like Amazon and Walmart rather than fostering economic hope and prosperity for all Americans. I urge the Federal Reserve to reconsider this proposal and prioritize measures that genuinely benefit and uplift the most vulnerable in our society. Sincerely, Lisa L. Cole Martin, Ph.D. Adjunct Instructor at North Carolina A&T State University